

Message Text

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PAGE 01 CAIRO 01979 131812Z

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FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 0093

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E.O. 11652: N/A

TAGS: BEXP, EG

SUBJECT: AGENT/DISTRIBUTOR SERVICE (ADS)

REF: 75 STATE A-7116

EACH OF FOLLOWING PARAS IS KEYED TO QUESTIONS REF AIRGRAM:

1. IN GENERAL FORM 424P PROVIDES INFO NEEDED BY POST EXCEPT
TELEX NUMBER S SHOULD BE INCLUDED, PLUS FINANCIAL IFORMATION
ON REQUESTING FIRM.

2. UPON RECEIPT OF ADS REQUEST, POST CHECKS REQUESTING FIRM
IN DUN & BRADSTREET DIRECTORY, THOMAS REGISTER OR OTHER
PUBLICATIONS TO DETERNINE SIZE AND FINANCIAL STRENGTH. THE
CHECKS ARE REQUIRED BECUASE ALMOST ALL FIRMS WE CONTACT WILL
REQUEST SUCH IFNORMATION. LOCAL FIRMS KNOWN TO BE INTERESTED
IN PRODUCT LINE ARE THEN CONTACTED.

3. LOCAL FIRMS INTERESTED IN REPRESENTING US COMPANIES ARE
KNOWN TO POST BY SPECIALTY. THEN 3-5 PROSPECTS ARE CONTACTED
TO REVIEW PRODUCT LITERATURE AND DETERMINE THEIR INTEREST IN
CORRESPONDING WITH REQUEST FIRM. WE MAY ALSO ASK LOCAL
FEDERATION OF INDUSTRY FOR LEADS ON INTERESTED FIRMS.
THREE LOCAL FIRMS WHICH APPEAR MOST SUITABLE ARE REPORTED.

4. EMB CAIRO HAS NEVER REPORTED ANY FIRM THAT HAS NOT BEEN
CONTACTED AND INDICATED INTEREST IN CORRESPONDING. MANY
PRODUCTS WHICH ARE WELL-KNOWN IN US ARE NEW TO EGYPTIAN
MARKET. IF REQUESTOR FAILS TO SEND PRODUCT LITERATURE, IT
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PAGE 02 CAIRO 01979 131812Z

IS VERY DIFFICULT TO FULLY EXPLAIN THESE ITEMS TO PROSPEC-

TIVE AGENTS. LOCAL AGENTS MAY INDICATE INTEREST IN HANDLING PRODUCT ONLY TO DISCOVER LATER THAT PRODUCT IS NOT OF INTEREST. WITH RESSTABLISHMENT OF PRIVATE SECTOR FOREIGN TRADING ONLY A RECENT DEVELOPMENT IN EGYPT, SOME LOCAL FIRMS ARE ATTEMPTING TO HANDLE NUMEROUS, SOMETIMES UNLREATED, LINES. WE ARE UNABLE TO FULLY INVESTIGATE EVERY FIRM BUT DO SO AS FAR AS POSSIBLE.

5. REQUIRED PREPARATION OF WTDR ON EACH ADS PROSPECT COULD INCREASE TIME NECESSARY TO PROCESS ADS REQUEST BY US TO 30 DAYS. WE ASSUME THAT SUBMISSION OF WTDR'S WOULD NOT BE REQUIRED PRIOR TO SUBMISSION OF ADS REPORT.

6. PPOR POSTAL SERVICE IS MOST FREQUENT EXPLANATION FOR NON-REPLIES. IN OTHER CASES, LOCAL FIRMS HAVE SIGNED AGREEMENT WITH COMPETITROTR BEFORE HEARING FROM REQUESTING FIRM.

7. ONLY COMPLAINT RECEIVED IS THAT THEY HAVE NOT BEEN CONTACTED BY US FIRM.

8. NO

9. ACERAGE TIME BETWEENEN DATE OF TRANSMITTAL OF CD144 AND RECEIPT BY POST IS 20 DAYS. DELAYS OF UP TO 46 DAYS HAVE BEEN EXPERIENCED.

10. ONLY SMALL PERCENTAGE OF ADS REQUESTS ARE PATENTLY UNSUITED TO EGYPTIAN MARKET - PRINCIPALLY ULTRA-HIGH TECHNOLOGY ITEMS AND LUXURY GOODS. HOWEVER, WE BELIEVE IT WOULD BE DIFFICULT TO PRE-SCREEN UNSUITABLE PRODUCTS. FINAL JUDGEMENT CAN ONLY BE MADE BY EMB AFTER TESTING LOCAL MARKET.

11. TO ASSESS MOST OF ADS PROGRAM STICTLY ON PERCENTAGE BASIS IS DIFFICULT. SUCCESS RATIO COULD BEST BE DETERMINED BY FEEDBACK FROM REQUESTING FIRMS. WE SELDOM RECEIVE ANY NOTIFICATION OF SIGNING OF AGENCY AGREEMENT.

12. YES.

13. YES. PRIVATE TRADE SECTOR IN EGYPT IS CHANGING RAPID-
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PAGE 03 CAIRO 01979 131812Z

LY AND WE BELIEVE IT BENEFICIAL TO MAKE NAMES OF POTENTIAL AGENTS AND DISTRIBUTORS WIDELY AVAILABLE.

14. IN ORDER TO GIVE REQUESTING FIRM ADEQUATE TIME TO NEGOTIATE AGENCY AGREEMENT, NAMES SHOULD NOT BE RELEASED PUBLICLY FOR AT LEAST SIX MONTHS.

15. WE RECOMMEND THAT EVERY US FIRM REQUESTING ADS SERVICE

BE STRONGLY URGED TO PROVIDE EMB WITH ADEQUATE PRODUCT
LITERATURE TO BE POUCHED BY USDOC RATHER THAN SENT VIA
INTERNATIONAL MAILS. USE OF REGULAR MAIL SERVICE SIGNIFICANTLY
DELAYS OUR ADS RESPONSE TIME. EILTS

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